

AMENDED IN SENATE APRIL 22, 2010

AMENDED IN SENATE APRIL 12, 2010

SENATE BILL

No. 1392

Introduced by Senator Steinberg

February 19, 2010

An act to amend ~~Section~~ *Sections* 50408 and 53545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1392, as amended, Steinberg. Housing and Emergency Shelter Trust Fund Act of 2006.

Existing law establishes the Department of Housing and Community Development within the Business, Transportation and Housing Agency, and requires the department, on or before December 31 of each year, to submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department. Existing law also requires that, as part of the annual report, the department include information on the expenditure and allocation of certain funds made available pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006.

This bill would expand the scope of the department's reporting requirement with respect to the funds made available pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006, and require the department to include in its annual report *for each program it administers with bond act funds* specified information relating to the ~~availability, allocation, and encumbrance~~ *awarding and disbursement* of these funds.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 50408 of the Health and Safety Code is
2 amended to read:
3 50408. (a) On or before December 31 of each year, the
4 department shall submit an annual report to the Governor and both
5 houses of the Legislature on the accomplishments and operations
6 during the previous fiscal year of the housing programs
7 administered by the department, including, but not limited to, the
8 Emergency Housing and Assistance Program and Community
9 Development Block Grant activity.
10 (b) The report shall include all of the following information:
11 (1) The number of units assisted by those programs.
12 (2) The number of individuals and households served and their
13 income levels.
14 (3) The distribution of units among various areas of the state.
15 (4) The amount of other public and private funds leveraged by
16 the assistance provided by those programs.
17 (5) Information detailing the assistance provided to various
18 groups of persons by programs that are targeted to assist those
19 groups.
20 (6) The information required to be reported pursuant to Section
21 17031.8.
22 (7) The information required to be reported pursuant to Section
23 53545.
24 SEC. 2. Section 53545 of the Health and Safety Code is
25 amended to read:
26 53545. The Housing and Emergency Shelter Trust Fund of
27 2006 is hereby created in the State Treasury. The Legislature
28 intends that the proceeds of bonds deposited in the fund shall be
29 used to fund the housing-related programs described in this chapter
30 over the course of the next decade. The proceeds of bonds issued
31 and sold pursuant to this part for the purposes specified in this
32 chapter shall be allocated in the following manner:
33 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
34 to be deposited in the Affordable Housing Account, which is
35 hereby created in the fund. Notwithstanding Section 13340 of the

Government Code, the money in the account shall be continuously appropriated in accordance with the following schedule:

(A) (i) Three hundred forty-five million dollars (\$345,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2. The priorities specified in Section 50675.13 shall apply to the expenditure of funds pursuant to this clause.

(ii) Fifty million dollars (\$50,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2 for housing meeting the definitions in paragraphs (2) and (3) of subdivision (e) of Section 11139.3 of the Government Code. The department may provide higher per-unit loan limits as necessary to achieve affordable housing costs to the target population. Any funds not encumbered for the purposes of this clause by July 31, 2011, shall revert for general use in the Multifamily Housing Program unless the department determines that funds should revert sooner due to diminished demand.

(B) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be used for supportive housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. The Department of Housing and Community Development shall provide for higher per-unit loan limits as reasonably necessary to achieve housing costs affordable to those individuals and households. For purposes of this subparagraph, “supportive housing” means housing with no limit on length of stay, that is occupied by the target population, as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the tenant to retain the housing, improve his or her health status, maximize his or her ability to live, and, when possible, work in the community. The criteria for selecting projects shall give priority to:

(i) Supportive housing for people with disabilities who would otherwise be at high risk of homelessness where the applications

1 represent collaboration with programs that meet the needs of the
2 person's disabilities.

3 (ii) Projects that demonstrate funding commitments from local
4 governments for operating subsidies or services funding, or both,
5 for five years or longer.

6 (C) One hundred thirty-five million dollars (\$135,000,000) shall
7 be transferred to the fund created by subdivision (b) of Section
8 50517.5 to be expended for the programs authorized by Chapter
9 3.2 (commencing with Section 50517.5) of Part 2.

10 (D) Three hundred million dollars (\$300,000,000) shall be
11 transferred to the Self-Help Housing Fund created by Section
12 50697.1. These funds shall be available to the Department of
13 Housing and Community Development, to be expended for the
14 purposes of enabling households to become or remain homeowners
15 pursuant to the CalHome Program authorized by Chapter 6
16 (commencing with Section 50650) of Part 2, except ten million
17 dollars (\$10,000,000) shall be expended for construction
18 management under the California Self-Help Housing Program
19 pursuant to subdivision (b) of Section 50696.

20 (E) Two hundred million dollars (\$200,000,000) shall be
21 transferred to the Self-Help Housing Fund created by Section
22 50697.1. These funds shall be available to the California Housing
23 Finance Agency, to be expended for the purposes of the California
24 Homebuyer's Downpayment Assistance Program authorized by
25 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
26 hundred million dollars (\$100,000,000) of these funds may be
27 expended pursuant to subdivision (b) of Section 51504.

28 (F) One hundred million dollars (\$100,000,000) shall be
29 transferred to the Affordable Housing Innovation Fund, which is
30 hereby created in the State Treasury, to be administered by the
31 Department of Housing and Community Development. Funds shall
32 be expended for competitive grants or loans to sponsoring entities
33 that develop, own, lend, or invest in affordable housing and used
34 to create pilot programs to demonstrate innovative, cost-saving
35 approaches to creating or preserving affordable housing. Specific
36 criteria establishing eligibility for and use of the funds shall be
37 established in statute as approved by a $\frac{2}{3}$ vote of each house of
38 the Legislature. Any funds not encumbered for the purposes set
39 forth in this subparagraph within 30 months of availability shall
40 revert to the Self-Help Housing Fund created by Section 50697.1

1 and shall be available for the purposes described in subparagraph
2 (D).

3 (G) One hundred twenty-five million dollars (\$125,000,000)
4 shall be transferred to the Building Equity and Growth in
5 Neighborhoods Fund to be used for the Building Equity and
6 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
7 14.5 (commencing with Section 50860) of Part 1. Any funds not
8 encumbered for the purposes set forth in this subparagraph by
9 November 17, 2011, shall revert for general use in the CalHome
10 Program unless the department determines that funds should revert
11 sooner due to diminished demand.

12 (H) Fifty million dollars (\$50,000,000) shall be transferred to
13 the Emergency Housing and Assistance Fund to be distributed in
14 the form of capital development grants under the Emergency
15 Housing and Assistance Program authorized by Chapter 11.5
16 (commencing with Section 50800) of Part 2 of Division 31. The
17 funds shall be administered by the Department of Housing and
18 Community Development in a manner consistent with the
19 restrictions and authorizations contained in Provision 3 of Item
20 2240-105-0001 of the Budget Act of 2000, except that any
21 appropriations in that item shall not apply. The competitive system
22 used by the department shall incorporate priorities set by the
23 designated local boards and their input as to the relative merits of
24 submitted applications from within the designated local board's
25 county in relation to those priorities. In addition, the funding
26 limitations contained in this section shall not apply to the
27 appropriation in that budget item.

28 (2) The Legislature may, from time to time, amend the
29 provisions of law related to programs to which funds are, or have
30 been, allocated pursuant to this subdivision for the purpose of
31 improving the efficiency and effectiveness of the program, or for
32 the purpose of furthering the goals of the program.

33 (3) The Bureau of State Audits shall conduct periodic audits to
34 ensure that bond proceeds are awarded in a timely fashion and in
35 a manner consistent with the requirements of this subdivision, and
36 that awardees of bond proceeds are using funds in compliance with
37 applicable provisions of this subdivision. The first audit shall be
38 conducted no later than one year from voter approval of this part.

39 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
40 deposited in the Regional Planning, Housing, and Infill Incentive

1 Account, which is hereby created in the fund. Funds in the account
2 shall be available, upon appropriation by the Legislature, and
3 subject to such other conditions and criteria as the Legislature may
4 provide in statute, for the following purposes:

5 (1) For infill incentive grants for capital outlay related to infill
6 housing development and other related infill development,
7 including, but not limited to, all of the following:

8 (A) No more than two hundred million dollars (\$200,000,000)
9 for park creation, development, or rehabilitation to encourage infill
10 development.

11 (B) Water, sewer, or other public infrastructure costs associated
12 with infill development.

13 (C) Transportation improvements related to infill development
14 projects.

15 (D) Traffic mitigation.

16 (2) For brownfield cleanup that promotes infill housing
17 development and other related infill development consistent with
18 regional and local plans.

19 (c) Three hundred million dollars (\$300,000,000) to be deposited
20 in the Transit-Oriented Development Account, which is hereby
21 created in the fund, for transfer to the Transit-Oriented
22 Development Implementation Fund, for expenditure, upon
23 appropriation by the Legislature, pursuant to the Transit-Oriented
24 Development Implementation Program authorized by Part 13
25 (commencing with Section 53560).

26 (d) Two hundred million dollars (\$200,000,000) shall be
27 deposited in the Housing Urban-Suburban-and-Rural Parks
28 Account, which is hereby created in the fund. Funds in the account
29 shall be available upon appropriation by the Legislature for
30 housing-related parks grants in urban, suburban, and rural areas,
31 subject to the conditions and criteria that the Legislature may
32 provide in statute.

33 ~~(e) (1) In its annual report to the Legislature, the department~~
34 ~~shall report all of the following information:~~

35 ~~(A) The amount of funds that were made available pursuant to~~
36 ~~this section and allocated in the previous year that were awarded.~~

37 ~~(B) The amount of funds that were made available pursuant to~~
38 ~~this section that were encumbered in the previous year.~~

1 (e) (1) *In its annual report to the Legislature, the department*
2 *shall include, for each program it administers with funds pursuant*
3 *to this section, both of the following:*

4 (A) *The amount of funds that were awarded in the prior year*
5 *on a per-project and aggregate basis.*

6 (B) *The amount of funds that were disbursed in the prior year*
7 *on a per-project and aggregate basis.*

8 (2) The department shall make the report available to the public
9 on its Internet Web site.

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